Revival of Capital market

1425. SHRI K. KALAVENKATA RAO:
SHRI C. RAMACHANDRAIAH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently Prime Minister has desired to revive the capital market and wanted the people to invest in stock market rather than depositing in Banks;

(b) if so, whether NSDL and SEBI are following this policy for expanding the activities in stock market by reducing the unwarranted and unnecessary expenses of the investor for holding of their portfolios; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) While launching the "Securities Market Awareness Campaign" at New Delhi on January 17, 2003, the Prime Minister had stressed the need for a dynamic capital market.

(b) and (c) The Securities and Exchange Board of India (SEBI) and National Securities Depository Ltd. (NSDL) continuously try and minimize the cost to investors of holding their portfolio. Although tariff charges by the Depositories is a commercial issue, SEBI had advised NSDL to review the fee and the charges' structure. NSDL has revised the tariff structure with effect from May, 2002.

NSDL reduced its charges twice during 2002-2003. The settlement fee of Rs. 15 per debit instruction announced in February, 2002 was reduced to Rs. 10 with effect from May 1st 2002. Similarly, the custody fee of Rs. 0.75 per month for securities held under each International Securities Identification Number announced in February, 2002, was reduced to Rs. 0.50 per month, with effect from October 1, 2002.

Further, NSDL has decided to reduced the charge for debit instructions from Rs. 10 to Rs. 8 per instruction with effect from January 1, 2004.